



Some marketing truths to hold onto in uncertain times.

You're a marketing professional living in an unprecedented society-changing crisis. And despite all that, you have a 30-minute presentation to the C-suite to lay out your best near-term marketing approach. Where do you even begin? Ramey has decades of experience marketing high-end home brands through cataclysms like 2001's post-9/11 economy and the 2008 housing bust. Recognizing this is a rapidly developing situation, here's where our heads are at this moment.

Promote your brand now to build loyalty for later. Companies that strategically invest in branding during recessions and even through prolonged depressions come out the other side much stronger than brands that cut back. Companies that go dark have a much longer, steeper climb to reclaim brand equity. Those that take the long view benefit from a less-crowded field, gaining a greater share of voice. Their dollar goes further, helping maintain brand relevance and value over the long haul.

Yes, we know this sounds self-serving from a marketing communications firm. But there's data to back it up. In a 2019 *Forbes* article, case after case is made for brands that continued to invest or doubled down during a downturn, coming out on top afterward as category leaders with higher share and profit margins. Kellogg doubled its ad spend during the 1920s Great Depression while Post cut back, which led to Kellogg taking over and holding onto the category's top spot for decades. Toyota surpassed Volkswagen as the top imported carmaker in the U.S. by 1976, after adhering to their marketing spend during the early 1970s energy crisis. A more recent big winner was Amazon, which grew sales a remarkable 28% during the "great recession" of 2009.

Consumers have short memories. Don't let them forget you. *Harvard Business Review* conducted a yearlong study of 4,700 brands and concluded that those that selectively reduce costs by focusing on operational efficiency – while investing in the future by spending on marketing, R&D and new assets – come out ahead following a recession.

History also suggests that demand for luxury picks up quickly when the economy returns to strength due to pent-up demand by affluent buyers. High-end home purchases tend to mean a longer, more involved decision process. If you work to maintain the affluent market's interest in your products, you start with a tailwind once things pick back up. But if you've chosen to go dark for some period of time, starting over means spending a lot more than your competitors who took the long view. Some predict the cost to regain share of voice once the economy turns may cost four or five times as much as your marketing budget cutbacks. When affluents begin spending again, your brand wants to be first in line for that pent-up demand.

Create lasting brand values that endear the brand to your best customers. You'd better believe affluent consumers are watching how corporate America responds, and the companies that show compassion and clearly demonstrate their brand values during this difficult period will be the winners. This is particularly true of affluent consumers.

We are already seeing some companies step up, with others sure to follow. For instance, Louis Vuitton just announced that they're going to halt perfume production and start making sanitizer. Pepsi, in partnership with Baylor and USDA, is getting meals to children out of school in rural markets. And in a brilliant move by swimwear startup Summersalt, the company is transforming its regular customer service channels into an opportunity to provide emotional support, recognizing this is a scary and lonely time for many as they retreat to their homes. Difficult times present unique opportunities for high-end home brands to demonstrate authentic brand values that connect with consumers on an emotional and authentic level.

Take the long view. The adage "crisis creates opportunity" applies today, whether that be in investment dollars or your brand marketing budget. Sure, spending cuts are inevitable. But don't overreact. Use this opportunity to create lasting goodwill and identify opportunities to leverage company resources and brand positioning to be part of the solution. Consumers will reward you for it. Let us know if we can help.